
HOUSE BILL 2288

State of Washington 64th Legislature 2015 3rd Special Session

By Representatives Farrell, Clibborn, Carlyle, Santos, Walkinshaw, Fitzgibbon, Robinson, Peterson, Pollet, Tarleton, Fey, Senn, Gregerson, Tharinger, Jenkins, Sawyer, Ortiz-Self, McBride, and Stanford

Read first time 07/01/15. Referred to Committee on Appropriations.

1 AN ACT Relating to the Puget Sound taxpayer accountability
2 account; amending RCW 81.112.---; reenacting and amending RCW
3 43.84.092 and 43.84.092; adding a new section to chapter 43.79 RCW;
4 providing a contingent effective date; and providing a contingent
5 expiration date.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

7 **Sec. 1.** RCW 81.112.--- and 2015 3rd sp.s. c ... s 422 (2ESSB
8 5987) are each amended to read as follows:

9 (1) Beginning January 1, 2017, and until the requirements in
10 subsection (4) of this section are met, a regional transit authority
11 must pay to the department of revenue, for deposit into the (~~general~~
12 ~~fund~~) Puget Sound taxpayer accountability account created in section
13 2 of this act, a sales and use tax offset fee.

14 (2) A sales and use tax offset fee is three and twenty-five one-
15 hundredths percent of the total payments made by the regional transit
16 authority to construction contractors on construction contracts that
17 are (a) for new projects identified in the system plan funded by any
18 proposition approved by voters after January 1, 2015, and (b)
19 excluded from the definition of retail sale under RCW 82.04.050(10).

1 (3) Fees are due monthly by the twenty-fifth day of the month,
2 with respect to payments made to construction contractors during the
3 previous month.

4 (4) A sales and use tax offset fee is due until the regional
5 transit authority has paid five hundred eighteen million dollars.

6 (5) Except as otherwise provided in this section, the provisions
7 of chapter 82.32 RCW apply to this section.

8 (6) The department of revenue must oversee the collection of the
9 sales and use tax offset fee and may adopt rules necessary to
10 implement this section.

11 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.79
12 RCW to read as follows:

13 The Puget Sound taxpayer accountability account is created in the
14 state treasury. Moneys in the account may be spent only after
15 appropriation. Expenditures from the account may only be used for
16 state-funded educational services or opportunities, or both, within
17 the boundaries of a regional transit authority that includes a county
18 with a population of one million five hundred thousand or more. To
19 the greatest extent practicable, the expenditures from the account
20 must follow the requirements of any transportation subarea equity
21 element used by the regional transit authority.

22 **Sec. 3.** RCW 43.84.092 and 2014 c 112 s 106, 2014 c 74 s 5, and
23 2014 c 32 s 6 are each reenacted and amended to read as follows:

24 (1) All earnings of investments of surplus balances in the state
25 treasury shall be deposited to the treasury income account, which
26 account is hereby established in the state treasury.

27 (2) The treasury income account shall be utilized to pay or
28 receive funds associated with federal programs as required by the
29 federal cash management improvement act of 1990. The treasury income
30 account is subject in all respects to chapter 43.88 RCW, but no
31 appropriation is required for refunds or allocations of interest
32 earnings required by the cash management improvement act. Refunds of
33 interest to the federal treasury required under the cash management
34 improvement act fall under RCW 43.88.180 and shall not require
35 appropriation. The office of financial management shall determine the
36 amounts due to or from the federal government pursuant to the cash
37 management improvement act. The office of financial management may
38 direct transfers of funds between accounts as deemed necessary to

1 implement the provisions of the cash management improvement act, and
2 this subsection. Refunds or allocations shall occur prior to the
3 distributions of earnings set forth in subsection (4) of this
4 section.

5 (3) Except for the provisions of RCW 43.84.160, the treasury
6 income account may be utilized for the payment of purchased banking
7 services on behalf of treasury funds including, but not limited to,
8 depository, safekeeping, and disbursement functions for the state
9 treasury and affected state agencies. The treasury income account is
10 subject in all respects to chapter 43.88 RCW, but no appropriation is
11 required for payments to financial institutions. Payments shall occur
12 prior to distribution of earnings set forth in subsection (4) of this
13 section.

14 (4) Monthly, the state treasurer shall distribute the earnings
15 credited to the treasury income account. The state treasurer shall
16 credit the general fund with all the earnings credited to the
17 treasury income account except:

18 (a) The following accounts and funds shall receive their
19 proportionate share of earnings based upon each account's and fund's
20 average daily balance for the period: The aeronautics account, the
21 aircraft search and rescue account, the Alaskan Way viaduct
22 replacement project account, the brownfield redevelopment trust fund
23 account, the budget stabilization account, the capital vessel
24 replacement account, the capitol building construction account, the
25 Cedar River channel construction and operation account, the Central
26 Washington University capital projects account, the charitable,
27 educational, penal and reformatory institutions account, the cleanup
28 settlement account, the Columbia river basin water supply development
29 account, the Columbia river basin taxable bond water supply
30 development account, the Columbia river basin water supply revenue
31 recovery account, the common school construction fund, the community
32 forest trust account, the county arterial preservation account, the
33 county criminal justice assistance account, the deferred compensation
34 administrative account, the deferred compensation principal account,
35 the department of licensing services account, the department of
36 retirement systems expense account, the developmental disabilities
37 community trust account, the diesel idle reduction account, the
38 drinking water assistance account, the drinking water assistance
39 administrative account, the drinking water assistance repayment
40 account, the Eastern Washington University capital projects account,

1 the Interstate 405 express toll lanes operations account, the
2 education construction fund, the education legacy trust account, the
3 election account, the energy freedom account, the energy recovery act
4 account, the essential rail assistance account, The Evergreen State
5 College capital projects account, the federal forest revolving
6 account, the ferry bond retirement fund, the freight mobility
7 investment account, the freight mobility multimodal account, the
8 grade crossing protective fund, the public health services account,
9 the high capacity transportation account, the state higher education
10 construction account, the higher education construction account, the
11 highway bond retirement fund, the highway infrastructure account, the
12 highway safety fund, the high occupancy toll lanes operations
13 account, the hospital safety net assessment fund, the industrial
14 insurance premium refund account, the judges' retirement account, the
15 judicial retirement administrative account, the judicial retirement
16 principal account, the local leasehold excise tax account, the local
17 real estate excise tax account, the local sales and use tax account,
18 the marine resources stewardship trust account, the medical aid
19 account, the mobile home park relocation fund, the motor vehicle
20 fund, the motorcycle safety education account, the multimodal
21 transportation account, the multiuse roadway safety account, the
22 municipal criminal justice assistance account, the natural resources
23 deposit account, the oyster reserve land account, the pension funding
24 stabilization account, the perpetual surveillance and maintenance
25 account, the public employees' retirement system plan 1 account, the
26 public employees' retirement system combined plan 2 and plan 3
27 account, the public facilities construction loan revolving account
28 beginning July 1, 2004, the public health supplemental account, the
29 public works assistance account, the Puget Sound capital construction
30 account, the Puget Sound ferry operations account, the Puget Sound
31 taxpayer accountability account, the real estate appraiser commission
32 account, the recreational vehicle account, the regional mobility
33 grant program account, the resource management cost account, the
34 rural arterial trust account, the rural mobility grant program
35 account, the rural Washington loan fund, the site closure account,
36 the skilled nursing facility safety net trust fund, the small city
37 pavement and sidewalk account, the special category C account, the
38 special wildlife account, the state employees' insurance account, the
39 state employees' insurance reserve account, the state investment
40 board expense account, the state investment board commingled trust

1 fund accounts, the state patrol highway account, the state route
2 number 520 civil penalties account, the state route number 520
3 corridor account, the state wildlife account, the supplemental
4 pension account, the Tacoma Narrows toll bridge account, the
5 teachers' retirement system plan 1 account, the teachers' retirement
6 system combined plan 2 and plan 3 account, the tobacco prevention and
7 control account, the tobacco settlement account, the toll facility
8 bond retirement account, the transportation 2003 account (nickel
9 account), the transportation equipment fund, the transportation fund,
10 the transportation improvement account, the transportation
11 improvement board bond retirement account, the transportation
12 infrastructure account, the transportation partnership account, the
13 traumatic brain injury account, the tuition recovery trust fund, the
14 University of Washington bond retirement fund, the University of
15 Washington building account, the volunteer firefighters' and reserve
16 officers' relief and pension principal fund, the volunteer
17 firefighters' and reserve officers' administrative fund, the
18 Washington judicial retirement system account, the Washington law
19 enforcement officers' and firefighters' system plan 1 retirement
20 account, the Washington law enforcement officers' and firefighters'
21 system plan 2 retirement account, the Washington public safety
22 employees' plan 2 retirement account, the Washington school
23 employees' retirement system combined plan 2 and 3 account, the
24 Washington state health insurance pool account, the Washington state
25 patrol retirement account, the Washington State University building
26 account, the Washington State University bond retirement fund, the
27 water pollution control revolving administration account, the water
28 pollution control revolving fund, the Western Washington University
29 capital projects account, the Yakima integrated plan implementation
30 account, the Yakima integrated plan implementation revenue recovery
31 account, and the Yakima integrated plan implementation taxable bond
32 account. Earnings derived from investing balances of the agricultural
33 permanent fund, the normal school permanent fund, the permanent
34 common school fund, the scientific permanent fund, the state
35 university permanent fund, and the state reclamation revolving
36 account shall be allocated to their respective beneficiary accounts.

37 (b) Any state agency that has independent authority over accounts
38 or funds not statutorily required to be held in the state treasury
39 that deposits funds into a fund or account in the state treasury
40 pursuant to an agreement with the office of the state treasurer shall

1 receive its proportionate share of earnings based upon each account's
2 or fund's average daily balance for the period.

3 (5) In conformance with Article II, section 37 of the state
4 Constitution, no treasury accounts or funds shall be allocated
5 earnings without the specific affirmative directive of this section.

6 **Sec. 4.** RCW 43.84.092 and 2014 c 112 s 107, 2014 c 74 s 6, and
7 2014 c 32 s 7 are each reenacted and amended to read as follows:

8 (1) All earnings of investments of surplus balances in the state
9 treasury shall be deposited to the treasury income account, which
10 account is hereby established in the state treasury.

11 (2) The treasury income account shall be utilized to pay or
12 receive funds associated with federal programs as required by the
13 federal cash management improvement act of 1990. The treasury income
14 account is subject in all respects to chapter 43.88 RCW, but no
15 appropriation is required for refunds or allocations of interest
16 earnings required by the cash management improvement act. Refunds of
17 interest to the federal treasury required under the cash management
18 improvement act fall under RCW 43.88.180 and shall not require
19 appropriation. The office of financial management shall determine the
20 amounts due to or from the federal government pursuant to the cash
21 management improvement act. The office of financial management may
22 direct transfers of funds between accounts as deemed necessary to
23 implement the provisions of the cash management improvement act, and
24 this subsection. Refunds or allocations shall occur prior to the
25 distributions of earnings set forth in subsection (4) of this
26 section.

27 (3) Except for the provisions of RCW 43.84.160, the treasury
28 income account may be utilized for the payment of purchased banking
29 services on behalf of treasury funds including, but not limited to,
30 depository, safekeeping, and disbursement functions for the state
31 treasury and affected state agencies. The treasury income account is
32 subject in all respects to chapter 43.88 RCW, but no appropriation is
33 required for payments to financial institutions. Payments shall occur
34 prior to distribution of earnings set forth in subsection (4) of this
35 section.

36 (4) Monthly, the state treasurer shall distribute the earnings
37 credited to the treasury income account. The state treasurer shall
38 credit the general fund with all the earnings credited to the
39 treasury income account except:

1 (a) The following accounts and funds shall receive their
2 proportionate share of earnings based upon each account's and fund's
3 average daily balance for the period: The aeronautics account, the
4 aircraft search and rescue account, the Alaskan Way viaduct
5 replacement project account, the brownfield redevelopment trust fund
6 account, the budget stabilization account, the capital vessel
7 replacement account, the capitol building construction account, the
8 Cedar River channel construction and operation account, the Central
9 Washington University capital projects account, the charitable,
10 educational, penal and reformatory institutions account, the cleanup
11 settlement account, the Columbia river basin water supply development
12 account, the Columbia river basin taxable bond water supply
13 development account, the Columbia river basin water supply revenue
14 recovery account, the Columbia river crossing project account, the
15 common school construction fund, the community forest trust account,
16 the county arterial preservation account, the county criminal justice
17 assistance account, the deferred compensation administrative account,
18 the deferred compensation principal account, the department of
19 licensing services account, the department of retirement systems
20 expense account, the developmental disabilities community trust
21 account, the diesel idle reduction account, the drinking water
22 assistance account, the drinking water assistance administrative
23 account, the drinking water assistance repayment account, the Eastern
24 Washington University capital projects account, the Interstate 405
25 express toll lanes operations account, the education construction
26 fund, the education legacy trust account, the election account, the
27 energy freedom account, the energy recovery act account, the
28 essential rail assistance account, The Evergreen State College
29 capital projects account, the federal forest revolving account, the
30 ferry bond retirement fund, the freight mobility investment account,
31 the freight mobility multimodal account, the grade crossing
32 protective fund, the public health services account, the high
33 capacity transportation account, the state higher education
34 construction account, the higher education construction account, the
35 highway bond retirement fund, the highway infrastructure account, the
36 highway safety fund, the high occupancy toll lanes operations
37 account, the hospital safety net assessment fund, the industrial
38 insurance premium refund account, the judges' retirement account, the
39 judicial retirement administrative account, the judicial retirement
40 principal account, the local leasehold excise tax account, the local

1 real estate excise tax account, the local sales and use tax account,
2 the marine resources stewardship trust account, the medical aid
3 account, the mobile home park relocation fund, the motor vehicle
4 fund, the motorcycle safety education account, the multimodal
5 transportation account, the multiuse roadway safety account, the
6 municipal criminal justice assistance account, the natural resources
7 deposit account, the oyster reserve land account, the pension funding
8 stabilization account, the perpetual surveillance and maintenance
9 account, the public employees' retirement system plan 1 account, the
10 public employees' retirement system combined plan 2 and plan 3
11 account, the public facilities construction loan revolving account
12 beginning July 1, 2004, the public health supplemental account, the
13 public works assistance account, the Puget Sound capital construction
14 account, the Puget Sound ferry operations account, the Puget Sound
15 taxpayer accountability account, the real estate appraiser commission
16 account, the recreational vehicle account, the regional mobility
17 grant program account, the resource management cost account, the
18 rural arterial trust account, the rural mobility grant program
19 account, the rural Washington loan fund, the site closure account,
20 the skilled nursing facility safety net trust fund, the small city
21 pavement and sidewalk account, the special category C account, the
22 special wildlife account, the state employees' insurance account, the
23 state employees' insurance reserve account, the state investment
24 board expense account, the state investment board commingled trust
25 fund accounts, the state patrol highway account, the state route
26 number 520 civil penalties account, the state route number 520
27 corridor account, the state wildlife account, the supplemental
28 pension account, the Tacoma Narrows toll bridge account, the
29 teachers' retirement system plan 1 account, the teachers' retirement
30 system combined plan 2 and plan 3 account, the tobacco prevention and
31 control account, the tobacco settlement account, the toll facility
32 bond retirement account, the transportation 2003 account (nickel
33 account), the transportation equipment fund, the transportation fund,
34 the transportation improvement account, the transportation
35 improvement board bond retirement account, the transportation
36 infrastructure account, the transportation partnership account, the
37 traumatic brain injury account, the tuition recovery trust fund, the
38 University of Washington bond retirement fund, the University of
39 Washington building account, the volunteer firefighters' and reserve
40 officers' relief and pension principal fund, the volunteer

1 firefighters' and reserve officers' administrative fund, the
2 Washington judicial retirement system account, the Washington law
3 enforcement officers' and firefighters' system plan 1 retirement
4 account, the Washington law enforcement officers' and firefighters'
5 system plan 2 retirement account, the Washington public safety
6 employees' plan 2 retirement account, the Washington school
7 employees' retirement system combined plan 2 and 3 account, the
8 Washington state health insurance pool account, the Washington state
9 patrol retirement account, the Washington State University building
10 account, the Washington State University bond retirement fund, the
11 water pollution control revolving administration account, the water
12 pollution control revolving fund, the Western Washington University
13 capital projects account, the Yakima integrated plan implementation
14 account, the Yakima integrated plan implementation revenue recovery
15 account, and the Yakima integrated plan implementation taxable bond
16 account. Earnings derived from investing balances of the agricultural
17 permanent fund, the normal school permanent fund, the permanent
18 common school fund, the scientific permanent fund, the state
19 university permanent fund, and the state reclamation revolving
20 account shall be allocated to their respective beneficiary accounts.

21 (b) Any state agency that has independent authority over accounts
22 or funds not statutorily required to be held in the state treasury
23 that deposits funds into a fund or account in the state treasury
24 pursuant to an agreement with the office of the state treasurer shall
25 receive its proportionate share of earnings based upon each account's
26 or fund's average daily balance for the period.

27 (5) In conformance with Article II, section 37 of the state
28 Constitution, no treasury accounts or funds shall be allocated
29 earnings without the specific affirmative directive of this section.

30 NEW SECTION. **Sec. 5.** Section 3 of this act expires on the date
31 the requirements set out in section 7, chapter 36, Laws of 2012 are
32 met.

33 NEW SECTION. **Sec. 6.** Section 4 of this act takes effect on the
34 date the requirements set out in section 7, chapter 36, Laws of 2012
35 are met.

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